



Worst Roads, but Great Pensions

Posted by [Pierluigi Oliverio](#) on Monday, October 18, 2010

Last week, Council dove into a study session about street paving. As you may have heard, San Jose came in last on a national survey on road conditions. This survey was done prior to the \$12 million in federal stimulus money that was allocated to San Jose for road paving this summer.

San Jose's cost to maintain roads is high due to our suburban sprawl. Total lane miles in San Jose is double that of San Francisco, which came in second for worst roads.

San Jose has 2,370 miles of road (60 feet wide) that would stretch from here to Detroit! (Could you imagine if we continued on the notion to build out Coyote Valley and increase our road network plus the sidewalks, sewers, street lights and signalized intersections?) Those 2,370 miles of road are split between 1,570 miles of neighborhood streets and 800 miles of major streets. State and federal grants for street paving (if you get them) typically only apply to the major streets and not the majority of neighborhood 25-mph streets where we live.

Staff presented us with the dilemma that as streets wear down they are more expensive to repair. For example, to "reseal" a street in good condition may cost \$35K-\$70K per mile, however if a street is in poor condition the price rises to \$200K-\$800K a mile. Complete rebuilding of a street is the most expensive at approximately \$1.8 million per mile! So transportation engineers do their best to with the limited dollars to try and keep streets from falling into poor condition.

Some streets are being left behind since they are so expensive to repair. So, thus a trade off: Do we fix one mile of a terrible street or instead 10 miles of streets that are in fair condition? Well, if you live on those 10 miles of streets it is great; however those on the one mile of terrible street are left behind.

Inevitably, the decision to repair, rebuild, etc., always turns to money. The city has lowered its road repair budget at the same time as other department budgets were being trimmed. As the structural budget deficit took hold and the portion of the pie chart for road paving got smaller, other portions of the pie chart, such as pensions, got bigger. One proposal on how to pay for the deferred maintenance backlog (streets only) of \$250 million (which may swell to \$1 billion by 2020) was an annual parcel tax of approximately \$300.

A comparison is that many households pay \$480 a year for basic cable TV or \$600 for high speed Internet, so paying \$300 for streets each year would be just be considered another household expense. The other factoid cited in favor of a parcel tax was that the annual cost for car repair due to poor roads is \$700 a year.

Of course this \$300 parcel tax was preliminary, and other parcel taxes may arise based on different properties, or a Council decision to charge a big-box store more since their store generates many car trips. Cities alone do not have the ability to raise gas taxes so parcel taxes, sales taxes or utility taxes are the main ways to raise revenue for ongoing expenses. Gas taxes make those who drive on roads pay for them; however some of the biggest culprits for wear and tear on streets—buses, garbage vehicles and commercial delivery trucks—are exempt by state and federal law from paying a fee to cities for the damage they cause.

One of my questions at the study session was: "Since the city council policy exempts affordable housing from paying construction taxes which go towards road paving, how much money have we lost and/or could have had in the coffers for street paving from affordable housing?" Unfortunately, staff did not have the answer readily available. I am aware that the city has lost approximately \$80-\$90 million for our parks with a similar exemption for affordable housing developers. My back-of-the-envelope calculation is we have lost out on approximately \$30 million that could have gone to road maintenance.

I think it is important that we know these things since a council policy has cost implications. If we raise your taxes for road repair but then make exemptions for something else, then maybe the tax should be called an affordable housing tax instead of tax for roads or parks.

[Here is a link to the staff presentation on road repair.](#) Click on Pavement Maintenance (Street Paving) Study Session Presentation-October 12, 2010

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